

Ontario Energy Board

Annual Report 2013-2014



ENERGY AT A GLANCE – 2013

RELIABLE AND SUSTAINABLE ENERGY

Infrastructure

- total electricity distribution assets **\$38,850,445,291**
- total natural gas distribution assets **\$13,807,123,743**

In 2013-2014, the Board approved:

- **\$1.9 billion** to build and renew Ontario's electricity distribution network, including **2,000 km** of new distribution wires and other facilities;
- the construction of **175 km** of electricity transmission lines to connect **844 MW** of wind and solar generation;
- the designation of a transmitter to develop the East-West electricity transmission project from Wawa to Thunder Bay;
- **50 km** of new natural gas pipeline in the Greater Toronto Area;
- **13.9 km** of natural gas transmission line from Brantford to Kirkwall;
- **2.8 km** of high-pressure natural gas distribution line in Ottawa; and
- the replacement of existing sections of natural gas pipelines in Chatham, Hamilton and Ottawa.

Conservation and Demand Management

- natural gas saved **198 million m³** — enough to heat **90,000 homes**¹
- electricity saved **603 million kWh** — enough to operate **60,000 homes**²
- **97%** of households and small businesses billed for electricity on time-of-use rates

MANAGING COSTS

- average residential monthly electricity bill — **\$122.50**
- average residential monthly natural gas bill — **\$65.50**
- **1%** rate increase, on average, for 60 electricity distributors
- **\$40 million** in cost savings from 11 full rate applications filed by electricity distributors
- OEB's operating expenses for 2013-2014 — **\$4.24** per customer, a reduction of **2.5%**
- **0** increase to OEB's budget assessments since 2011

PROTECTING CONSUMERS

- total electricity distribution customers **4,944,488**
 - ▶ total residential and small business customers **4,887,412**
- total natural gas distribution customers **3,458,834**
 - ▶ total residential and small business customers **3,040,332**

Sector Oversight

- In the electricity sector, OEB regulated or licensed:
 - 83 distributors
 - 14 transmitters
 - 388 generators
 - 3 provincial agencies: Ontario Power Authority, Independent Electricity System Operator and Smart Metering Entity
 - 102 wholesalers
 - 43 retailers
- In the natural gas sector, OEB regulated or licensed:
 - 3 distributors
 - 24 marketers

Consumer Participation

- \$7.1 million provided to consumer groups, manufacturers, farmers, landowners, municipalities and First Nation and Métis communities to fund their participation in 90 hearings and proceedings before the Board
- 2,500+ Ontarians participated in Part One of the Board's consultation and review of TransCanada's Energy East pipeline project

Compliance and Enforcement

- 17,000+ calls from consumers seeking assistance
- calls and complaints from consumers about retailers and marketers decreased from 6,616 in 2010-2011 to 2,275 in 2013-2014
- top 5 consumer issues: cancellation of retail contracts; billing errors; disconnections; service quality; and salesperson conduct
- cancellations or refunds obtained for 15,000+ retail customers
- \$354,000+ in penalties and voluntary payments received in 2013-2014, bringing the total to over \$1.7 million since the *Energy Consumer Protection Act* was introduced in 2011
- retailer and marketer licences for one company revoked

Assistance for Low-Income Energy Consumers

- 14,000+ consumers received over \$7 million³ to help with their natural gas and electricity bills

¹ 2013 results for the gas distributors were not available at the time this report was prepared. 2012 results were taken from the gas distributors' DSM Annual Reports.

² Preliminary results from Ontario Power Authority

³ Through Low-Income Energy Assistance and Winter Warmth Programs in 2013

Our Mission

To promote a viable, sustainable and efficient energy sector that serves the public interest and assists consumers in obtaining reliable energy services at a reasonable cost.

Vision Statement

- The Board regulates the electricity and natural gas sectors in a manner that focuses on outcomes that are valued by consumers.
- Under the Board's regulatory framework, distributors, transmitters and other regulated entities invest and operate in a manner that increases efficiency and productivity, and provides consumers with a reliable energy supply at a reasonable cost.
- The Board will ensure its own processes are efficient and cost effective and are understood by, and accessible to, both industry and consumers.
- Energy consumers must have the information they need to understand the value they receive for their energy expenditures and to make choices regarding their own use of energy.

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Letter to the Minister of Energy



Over the past three years, the Ontario Energy Board has been redefining our approach to energy sector regulation, putting energy consumers at the centre of our regulatory processes. Improving the alignment between customer expectations and utility performance, enriching energy literacy among consumers, and solidifying the trust of energy consumers are key objectives of the Board. In 2013-2014, we began to incorporate many of these transformative changes into our operations.

The Board's consumer-centric approach is most strongly reflected in our work on the Renewed Regulatory Framework for Electricity, which emphasizes planning and early consumer engagement at the front end and monitoring, measuring and public reporting on the back end. While the Renewed Regulatory Framework continues to address utility cost structures and cost management, a new and stronger emphasis has been placed on utility performance and value for the consumer.

While continued priorities at the OEB include responding to significant changes in the gas and electricity sectors caused by evolving sources and mix of supply, introducing new technologies, focusing on conservation and renewing an aging asset base, we are equally committed to improving the level of energy literacy among Ontario's energy consumers.

To this end, in 2013-2014, we focused our efforts on improving, and making more accessible, the quantity and quality of information available to consumers. We made it easier for consumers to participate and provide input on decisions that directly affect them. And we started taking a much more proactive approach, using tools such as focus groups and surveys, to solicit consumer perspectives. Such an approach will better inform the Board's development of regulatory policy.

The Renewed Regulatory Framework, launched in 2013, emphasizes early and ongoing customer engagement by utilities, as well as an expectation that utilities will reflect their customers' value proposition in their rate applications. Based on this framework, the Board established an approach to rate regulation that provides for a stronger alignment between a utility's ask and the needs and expectations of its customers along with a better mechanism to inform customers about their utility's performance.

Our new distributor performance scorecard, launched in 2014, includes performance measures that reflect what consumers expect from a well-operated utility. These measures encompass system performance, costs per customer and the amount of energy conserved. With this scorecard, consumers are able to improve their energy literacy; the information that is provided enables them to assess for themselves the value of the service they receive.

In 2013-2014, the Board also initiated some modest first steps to engage more broadly and directly with consumers. With the help of consumer focus groups, we completely redrafted our public notices to better inform consumers about an application before the OEB, its impact on them, and their ability to "have their say" in the Board's process.

More recently, we used focus groups to test early models for new rate designs. By making charges on bills more understandable for consumers, we will improve energy literacy.

Beyond focus groups, the Board went on the road — in 2013, for the East-West Tie project and, in 2014, for a review of TransCanada's proposed Energy East pipeline project — visiting communities and hearing from consumers directly affected by our work.

Letter to the Minister of Energy *(continued from page 5)*

Going forward, the Board will continue to look for more opportunities to directly reach those most affected by our work. Our recently initiated review of the consumer protection measures in the *Energy Consumer Protection Act, 2010* (ECPA) represents one important opportunity to do just that. Given the nature of these measures and their direct impact on consumers, the Board will invite consumers, via social media, focus groups, surveys and online workbooks, to share their experiences with electricity retailers and natural gas marketers. We expect that these views will contribute significantly to our report.

In today's rapidly evolving energy sector, the Board recognizes that, while our expectations of consumers are changing, so too are their expectations of the Board and the utilities we regulate. As demonstrated by our 2013-2014 accomplishments, the Board is responding to these changing expectations.

Our achievements this past year would not be possible without the dedicated work of our staff and Board members. I want to acknowledge, in particular, the contributions of Cynthia Chaplin, Paula Conboy and Jerry Farrell, who all stepped down from the Board this year. I also want to pay a special thank you to Cynthia, who served on the Board for 10 years, most recently as Vice-Chair and before that as interim Chair.

I am extremely proud of our accomplishments and pleased to share them with you in our 2013-2014 Annual Report.

Yours sincerely,



Rosemarie T. Leclair

Chair and Chief Executive Officer

Value for Ontario's Energy Consumers

In 2013-2014, the Board continued its strong and strategic focus to ensure that Ontario's energy consumers receive value for their energy dollar. Improving the planning approaches of distributors and transmitters to ensure that they meet the needs of energy consumers today and tomorrow is an important goal and will help to make optimal use of their future investments in our energy systems. Our approach will enhance utility productivity and effectiveness, thereby containing future costs for consumers.

We are also committed to helping consumers become more energy literate by improving the quality, quantity and accessibility of information that is made available to them. Doing so will enable consumers to participate fully in their energy future, help them make informed energy choices, and assess for themselves the value that they receive in terms of energy dollars.

Sustainable and Reliable Energy

Clean and Reliable Energy for Consumers. The province's electricity and natural gas systems require investment to replace aging equipment, modernize networks, and service new and growing communities. A key objective of the Board is to ensure that the utilities we regulate formulate plans and establish priorities that are appropriate and in keeping with our overall goal — ensuring consumers receive reliable delivery of electricity and natural gas at a reasonable cost.

The Board also has an important role in supporting the government's objectives for a sustainable energy future, which are set out in the Long-Term Energy Plan. In keeping with that objective, we are also facilitating the connection of new green energy (renewable) systems.

In 2013-2014, the Board approved:

- \$1.9 billion to build and renew Ontario's electricity distribution network, representing approximately 2,000 km of new wires;
- the construction of 175 km of electricity transmission lines to connect 844 MW of wind and solar generation, including projects in Dufferin and Sarnia;
- the designation of a transmitter to develop the East-West electricity transmission project from Wawa to Thunder Bay, a priority project identified in the Long-Term Energy Plan;
- 50 km of new natural gas pipeline to provide the capacity needed for the Greater Toronto Area; and
- the replacement of existing sections of natural gas pipeline in Chatham, Hamilton and Ottawa.

Conservation and Energy Efficiency. The Board plays a central role in helping the province meet its energy conservation goals for both electricity and natural gas.

Electricity conservation and demand management (CDM) targets were established in 2010 for electricity distributors to reduce overall consumption and daily peak demand in Ontario from 2011 to 2014. Electricity distributors must meet the CDM targets as a condition of their licences. In 2013, with the exception of one CDM program that was approved by the Board, electricity distributors continued to deliver a suite of residential (including low-income), business and industrial CDM programs developed by the Ontario Power Authority. Preliminary results show that conservation efforts undertaken last year saved more than 603 million kWh of electricity — enough to operate approximately 60,000 homes. The effects of all CDM programs from 2011 to 2013 account for over 80 per cent of the overall 2011-2014 electricity savings target of 6 billion kWh.

In the natural gas sector, a set of guidelines was developed by the Board in 2011 to help natural gas distributors prepare multi-year demand-side management (DSM) plans for 2012-2014. In 2013, the gas distributors continued to deliver a suite of programs for residential (including low-income), commercial and industrial customers that aimed to maximize cost-effective natural gas savings, increase opportunities to upgrade to more energy efficient technologies, and pursue long-term natural gas savings. Results from 2012 showed that gas distributors' DSM efforts saved about 198 million m³ of natural gas — enough to heat approximately 90,000 homes.⁴

⁴ 2013 results for the gas distributors were not available at the time this report was prepared. 2012 results were taken from the gas distributors' DSM Annual Reports.

Value for Ontario's Energy Consumers *(continued from page 7)*

The Board has initiated a consultation process to develop a new DSM framework to be used in the development of the next generation of DSM plans from 2015 to 2020 as the term of the current DSM framework (2012-2014) is nearing its conclusion. Additionally, on March 31, 2014, the Minister of Energy issued a Directive to the Board that, among other things, requires the Board to establish a new DSM policy framework for natural gas distributors.

Containing Costs for Consumers

Distribution Rate Design. The Board's Renewed Regulatory Framework aims to better align consumer and utility interests, support the achievement of public policy objectives, and place a stronger focus on delivering value. Given that the design of electricity distribution rates is a key factor in helping us achieve these objectives, in 2013, the Board reviewed a number of options for redesigning these rates. Consideration was paid to improving consumer understanding of the value of the services provided by their electricity distributors, helping distributors focus on appropriate asset management and planning, and promoting the public policy goal of "conservation first" to meet future energy needs. During the course of our review, we used focus groups to provide a consumer perspective on the rate design options being considered. The Board anticipates that a decision regarding which rate design model will be adopted and implemented will be made in the latter part of 2014.

Renewed Regulatory Framework for Electricity (RRFE). In 2013-2014, the Board implemented the Renewed Regulatory Framework for Electricity Distributors. This framework is designed to support the cost-effective planning and operation of the electricity distribution network. By taking a longer-term view, the new framework enables the Board to align the needs of a sustainable, financially viable electricity sector with the expectations of consumers, who want reliable service at a reasonable cost. The RRFE includes new policies on rate-setting, capital and regional planning, and performance measurement and monitoring, including a publicly posted, utility-specific scorecard.

Over the past year, the Board:

- adjudicated the first set of applications filed under the RRFE — reducing proposed expenditures by \$40 million for the 11 distributors that filed full rate applications and holding average rate increases for the remaining 60 distributors to one per cent, below the rate of inflation;
- implemented a new scorecard, which is being used to measure each electricity distributor on the basis of customer focus, financial performance, operational effectiveness and public policy responsiveness; and
- launched a new model for regional electricity infrastructure planning, requiring distributors, transmitters and other key stakeholders to work together to optimize solutions for network investments — ensuring consumers receive reliable service at the most reasonable cost.

Looking ahead, the Board is committed to applying the key principles of the RRFE beyond the electricity distribution sector, to encompass electricity transmitters and gas distributors as well.

Time-of-Use Pricing Review. Electricity distributors started to install smart meters in 2006. By 2013, over 97 per cent of Ontario households and small businesses were billed on time-of-use (TOU) rates using smart meter technology. TOU prices were established to incent consumers to conserve by reducing their consumption during peak periods, shifting that consumption to less expensive mid-peak and off-peak periods. Since TOU pricing was introduced, overall residential on-peak consumption has been reduced by approximately 170 MW in the summer months and 204 MW in the winter. Residential electricity costs are estimated to be approximately \$12 lower because of load shifting and conservation arising from TOU pricing. Going forward, the Board is considering ways to improve the existing TOU pricing structure in order to offer more flexibility to consumers — and better serve the underlying policy objectives.

Improved Consumer Access and Information

Energy Literacy. The Board has a mandate to protect the interests of consumers. To deliver on this mandate, we need to make sure not only that we understand consumer expectations and needs, but also that consumers are engaged and knowledgeable, and have confidence in the energy system. In 2013-2014, the Board initiated a number of steps to help consumers understand better the value of the energy they rely upon to power and heat their homes and businesses. These include:

- using plain language in all applications, including policy decisions;
- publishing clearer information on our website and using visual tools, such as graphs and charts, to increase consumer comprehension;
- making it easier for consumers to participate in policy development and Board proceedings, by making our public notices easier to understand and more visible to consumers;
- affirming our expectation that distributors will engage directly with their customers about proposals being considered for inclusion in rate applications, as well as explain how customer feedback is used to shape the final application submitted to the Board;
- going directly into the communities affected by applications — last year, for example, Board members and staff traveled to northern Ontario to hear the perspectives of the people affected by the proposed East-West transmission line and to ensure those perspectives were reflected in our decision; staff also traveled to seven different communities, stretching from Kenora to Cornwall, to solicit views on TransCanada's proposed Energy East pipeline; and
- participating in meetings with consumers, often at events sponsored by local communities and consumer groups — last year, for example, Board staff provided information on smart meters, time-of-use pricing, consumer protection and low-income energy assistance to more than 6,500 consumers at 22 events across the province.

Consulting with Consumers. Another important aspect of delivering on our mandate is to ensure that consumers' perspectives are reflected in our work. In 2013, we:

- used consumer focus groups to help us develop a new form of notice, to be published in connection with applications filed with the Board;
- used focus groups to assess consumer perspectives on a range of models for the possible redesign of electricity distribution rates; and
- undertook a broad consultation with the public and with First Nation and Métis communities regarding TransCanada's Energy East pipeline project (over 2,500 Ontarians participated through local meetings and through submissions and comments sent to our "Energy East Consultation and Review" web page).

Intervenor Participation. Hearings and consultations are at the heart of how the Board undertakes its work and makes decisions about utility rates and major new infrastructure projects. It is essential that those affected by the Board's decisions have the opportunity to participate in hearings and proceedings, and to be heard. In 2013-2014, \$7.1 million in funding was provided to more than 30 groups representing residential consumers, manufacturers, farmers, landowners, municipalities, and First Nation and Métis communities to enable them to participate in almost 90 hearings and proceedings.

Application and Hearing Processes. In 2012, we conducted a review of our application and hearing processes. We looked at how to make those processes more understandable and open to consumers. Based on this review, we made a number of changes during 2013-2014, many of which complement the consumer focus reflected in the Renewed Regulatory Framework for Electricity. The Board:

- adopted a simpler and clearer form of notice for applications that come before the Board;
- amended our Rules and Practice Directions to give consumers and interested parties better access and enable them to follow Board proceedings more easily;
- implemented simpler procedures for consumers submitting letters of comment on Board proceedings, and developed more easily understood information about our processes, which we posted on our website;
- improved the format and content of Board decisions so they can be understood by a broader audience; and
- implemented new rules that provide greater transparency and accountability regarding the participation of intervenors in Board hearings and proceedings.

Consumer Protection

Protecting Consumers. The Board takes its responsibility to protect consumers very seriously. We carry out this responsibility in a number of ways: monitoring and inspecting licensees; educating licensees about their responsibility; helping consumers work through issues with their utilities and suppliers; investigating alleged violations; and taking enforcement action where appropriate. Board staff carried out 32 inspections of retailers, marketers and distributors during 2013-2014. These inspections led to six enforcement proceedings and the revocation of the retailer and marketer licences for one company. We collected over \$354,000 in penalties and voluntary payments, bringing the total to over \$1.7 million since the *Energy Consumer Protection Act* (ECPA) came into force in 2011.

Improving Our Approach to Compliance. The ECPA provides greater protection for residential and small business energy consumers. Under the legislation, retailers and marketers must follow specific guidelines when contacting prospective customers (for example, providing comparative prices and following up to verify a contract for those customers who sign a contract at the door). As a result of these measures, the number of consumer calls and complaints coming to the Board about retailers and marketers has dropped significantly, from 6,616 in 2010-2011 to 2,275 in 2013-2014.

Based on previous experience, the Board introduced a risk-based approach to compliance for electricity retailers, natural gas marketers, distributors and sub-meter providers in 2013. This new approach allows the Board to focus its resources on areas that have the greatest potential for harm to consumers.

Helping Consumers. Every day, the Board answers questions, assists consumers with complaints about their utilities, retailers or marketers, provides direction on how to get involved in the Board's hearing process and explains how to access Low-Income Energy Assistance Program (LEAP) funding.

- Consumers contacted the Board more than 17,000 times about energy-related issues.
- The top five issues raised by consumers were: cancellation of retail contracts; billing errors; disconnection; service quality; and salesperson conduct.
- The Board obtained remedies for approximately 15,000 retail consumers, including refunds and cancellations.
- The Board assisted consumers with approximately 3,000 complaints about their utilities, retailers or marketers. Over 75 per cent of these complaints were resolved in under 21 days.

Low-Income and Vulnerable Consumers. In 2011, the Board oversaw the implementation of the Low-Income Energy Assistance Program (LEAP). This program is intended to provide one-time emergency financial assistance to low-income consumers. In 2013, over \$7 million in emergency financial assistance was provided to consumers through LEAP and the Winter Warmth programs run by Union Gas Limited and Enbridge Gas Distribution Inc. Since its inception, almost \$12.5 million in emergency financial assistance has been provided to 30,565 customers through Ontario's natural gas and electricity distributors. The Board will be reviewing the program and its effectiveness during 2014.

Looking Ahead

In the coming year, we will continue to build on this solid foundation — supporting the renewal and sustainability of our electricity and natural gas networks by placing emphasis on investment planning, asset management and conservation. We will continue to manage the costs borne by energy consumers by controlling expenditures within our own organization and by calling for greater efficiencies and higher performance from the utilities we regulate. Above all, we will endeavour to ensure that both the Board and those we regulate maintain a strong focus on the needs of the province's energy consumers and the outcomes that they value.

Our Performance

The OEB measures its performance using a balanced scorecard approach. Performance indicators are put in place to support five key focus areas defined in the 2013-2014 Business Plan Objectives:

1. Consumer
2. Industry
3. Public Policy
4. Organization
5. Process Metrics

An independent audit firm, WREN Group, assessed the Board's performance. According to WREN Group, the Board achieved 98.8 per cent of its business plan initiatives over the past year.

The following scorecard describes the five key focus areas. Each initiative within a focus area is weighted and has individual milestones and targets to assist in meeting the initiative. The scoring for each initiative is based on achievement of each milestone. If an initiative does not achieve 100 per cent, then a partial score for the initiative is applied. The scores for the initiatives are added together and the focus area weighting is applied to calculate the percentage score for that particular focus area. All focus area scores are then added together for the overall achievement score.

Focus Area: Consumers

Consumers are seeking reliable service that is cost-effective. When costs change, consumers look for answers and understanding. The Board must align the requirements of the electricity and natural gas sectors with the needs of consumers. The Board will endeavour to meet the needs and expectations of consumers by focusing on outcomes that they value.

Initiative	Target	Audit Result
Promote energy literacy.	Implement priority recommendations arising from the Board's review of consumer communications.	91.3% Complete* The Board built on its previous research on consumer communications in its work toward a renewed, three-year strategic plan. That work has been extended past year-end to further align the plan with the broader values and strategic goals of the Board. The Board expects to complete the plan and begin implementation during the 2014-2015 year.
Adopt a risk-based approach to the assessment of compliance.	Complete a risk-based approach to the assessment of compliance by retailers and marketers. Develop a risk-based approach to the assessment of compliance by distributors and sub-meter providers.	Complete
Continue to address the needs of low-income energy consumers.	Report on the results of the Emergency Financial Assistance program for 2012.	Complete

CONSUMER TOTAL: 94.8%

Focus Area: Industry

The Board's mandate is to promote a financially viable, sustainable and efficient energy sector. The Board's approach to regulation must take into account the ongoing need for investment in both the electricity and natural gas sectors. Such investment is needed in order to maintain the safe and reliable operation of the electricity and natural gas delivery systems and to facilitate the connection of renewable generation in accordance with government policy. The Board will endeavour to ensure that the pace at which this investment proceeds has particular regard for the impact on consumers.

Initiative	Target	Audit Result
Implement the Renewed Regulatory Framework for Electricity distributors and transmitters.	Complete the development of policies, guidelines, codes and reporting requirements in support of the Renewed Regulatory Framework for Electricity. Implement for 2014 rate applications.	Complete
Develop an approach to decouple revenues from costs.	Develop policy regarding revenue decoupling.	Complete
Assess how the Board's approach to the regulation of electricity distributors may affect the ability of distributors to realize operational or organizational efficiencies.	Complete the assessment of ways to encourage distributors to realize efficiencies.	Complete

INDUSTRY TOTAL: 100%

Our Performance *(continued from page 13)*

Focus Area: Public Policy

The Board must carry out its mandate having due regard to the broader public policy framework established by government. The Board will carry out the responsibilities assigned to it by legislation, regulation and directives in a constructive and effective manner.

Initiative	Target	Audit Result
Ensure that the rules governing the connection of renewable generation to the grid are effective and are aligned with the government's public policy objectives.	Complete amendments to the Distribution System Code in respect of the connection process for micro-embedded generators. Monitor implementation of the revised connection rules.	Complete
Review and evaluate the Regulated Price Plan (including time-of-use prices).	Complete review and assessment of time-of-use pricing.	Complete
Review and report on conservation and energy efficiency programs for consumers in the electricity and natural gas sectors.	Report on the results of the natural gas demand-side management programs and the progress that electricity distributors are making towards achieving their conservation targets.	Complete
Complete the designation process in respect of the East-West tie.	Complete the decision phase in respect of the designation process.	Complete

PUBLIC POLICY TOTAL: 100%

Focus Area: Organization

The Board understands that its activities are funded by the entities it regulates and, ultimately, by all energy consumers of Ontario. The Board will continue to manage its operations in an efficient and effective manner. The Board will endeavour to ensure that its processes are efficient, understood and accessible to both industry and consumers.

The Board will strengthen its capabilities through leadership development, formal training and education and on-the-job learning. The Board will also develop initiatives to attract and retain the skills and knowledge needed by the Board to carry out its mandate.

Initiative	Target	Audit Result
Enhance the efficiency and effectiveness of the applications and hearing process.	Implement improvements to the applications and hearing process.	Complete
Review and enhance the Board's policy consultation process.	Evaluate the effectiveness of the Board's policy consultation process.	Complete
Review and enhance the Board's process and performance metrics.	Review key Board performance and process metrics.	Complete

ORGANIZATION TOTAL: 100%

Our Performance *(continued from page 15)*

Focus Area: Process Metrics		
Initiative	Target	Audit Result
Market Operations Hotline responses within metrics.	90% of responses within 10 days	Achieved
Consumer calls metric for the Consumer Relations Centre.	80% of calls answered within 20 seconds 80% of voice mail answered the next day 80% of consumer correspondence answered in 10 days	Achieved
Review of applications by Board and staff delegates within established metrics.	75% for Board decisions 80% for delegated staff decisions 90% within 60 days for cost award decisions	98.4% Achieved* In 2013-2014, the Board processed a large number of applications involving leave to construct transmission lines, many related to the connection of new renewable generation. To streamline the applications process, in the future, the Board has now issued revised Filing Requirements for these types of applications.
PROCESS METRIC TOTAL: 99.2%		

Report on Regulatory Costs

Consistent with its commitment to good corporate governance, the Board reports annually on the regulatory costs associated with oversight of Ontario's gas and electricity sectors.

The following three measures are identified:

- three-year rolling average percentage change in operating expenses;
- three-year rolling average of operating expenses as a percentage of industry revenues; and
- three-year rolling average of operating expenses per end-use customer.

The following chart illustrates the rolling three-year averages for each of these regulatory cost measures.

	OEB		
	2013-2014	2012-2013	2011-2012
Electric Customers ^a	4,945,113	4,898,272	4,843,759
Natural Gas Customers ^a	3,458,834	3,413,710	3,352,723
Measure #1: Operating Expense per Customer (\$/yr/customer)	\$4.24	\$4.35	\$4.17
3-Year Rolling Average	\$4.25	\$4.27	\$4.18
Industry Revenue (\$B) ^b	\$25.6	\$23.0	\$23.5
Measure #2: Operating Expense as % of Industry Revenue	0.14%	0.16%	0.15%
3-Year Rolling Average	0.15%	0.16%	0.16%
Operating Expenses ^c	\$35,595,501	\$36,176,742	\$34,148,859
Measure #3: Percentage Change in Operating Expenses	-1.61%	5.94%	-1.75%
3-Year Rolling Average	0.86%	3.58%	0.34%

Notes:

- Source: Ontario Energy Board Annual Reports.
- Source: 2011-2012 to 2013-2014 estimates based on various OEB and Statistics Canada sources.
- Source: Ontario Energy Board Financial Statements. The figure used is Total Expenses as reported in the Statement of Operations and Net Assets. Total expenses include Board costs recoverable under Section 30 of the *Ontario Energy Board Act, 1998* of \$1,455,041 in 2013-2014, \$1,437,254 in 2012-2013, and \$994,582 in 2011-2012. Intervenor and stakeholder costs that regulated entities were ordered to pay are not a cost of the Board and are therefore not included in total expenses.

Commentary:

Measure #1: Operating Expenses per Customer

Operating expenses per customer decreased by \$0.11 (3%) from 2012-2013 to 2013-2014 due to the decrease in OEB operating expenses, as explained in Measurement #3 below.

Measure #2: Operating Expense/Industry Revenue

Industry revenue has increased by 11% from 2012-2013 and by 9% from 2011-2012. OEB operating expenses as a percentage of industry revenue decreased from 2012-2013 and 2011-2012.

Measure #3: Percentage Change in Operating Expenses

Operating expenses decreased \$581K (1.6%) from 2012-2013 to 2013-2014 due to cost reduction measures taken by the Board.

Section 30 Cost Awards

Section 30 of the *Ontario Energy Board Act, 1998*, states that the Board "may order a person to pay all or part of a person's costs of participating in a proceeding before the Board, a notice and comment process under section 45 or 70.2 or any other consultation process initiated by the Board." This may include costs of the Board and stakeholders. Board costs represent expenses incurred in relation to specific proceedings or consultation processes (e.g. consulting services, court reporting and external meeting sites) and are reflected in the Board's financial statements. Regulated entities are required to pay these expenses to the Board for specific proceedings and consultation processes. Stakeholder costs represent expenses that regulated entities are required to pay to intervenors in proceedings and to stakeholders in consultation processes. These costs do not appear in the Board's financial statements.

The following outlines the cost award activity for the 2013-2014 fiscal year:

	2013-2014
Board's costs recoverable under section 30 cost awards	
- natural gas proceedings	\$ 439,668
- electricity proceedings	1,015,373
Stakeholder costs recovered under section 30 cost awards for consultation processes initiated by the Board	
- natural gas proceedings	5,243
- electricity proceedings	642,185
Intervenor costs recovered under section 30 cost awards for proceedings initiated by applicants	
- natural gas proceedings	3,460,656
- electricity proceedings	3,022,939
Total 2013-2014 Cost Award Activity	\$ 8,586,064

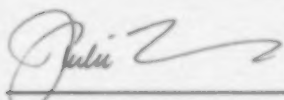
Financial Statements

Management's Responsibility

The Ontario Energy Board's management is responsible for the integrity and fair presentation of the financial statements and other information presented in the annual report. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The preparation of financial statements necessarily involves the use of management's judgment and best estimates, particularly when transactions affecting the current accounting period cannot be determined with certainty until future periods.

The Board maintains systems of internal accounting controls designed to provide reasonable assurance that reliable financial information is available on a timely basis and that the Board assets and liabilities are adequately accounted for and assets safeguarded.

The financial statements have been reviewed and approved by the Board's Management Committee. In addition the financial statements have been audited by the Auditor General of Ontario, whose report follows.



Julie Mitchell

Vice President, People, Culture & Business Solutions

July 30, 2014

Independent Auditor's Report

To the Ontario Energy Board

I have audited the accompanying financial statements of the Ontario Energy Board, which comprise the statement of financial position as at March 31, 2014 and the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

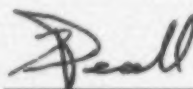
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Energy Board as at March 31, 2014 and the results of its operations, its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Gary Peall, CPA, CA, LPA
Deputy Auditor General

Toronto, Ontario
July 30, 2014

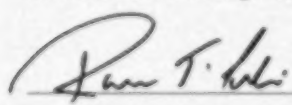
Statement of Financial Position

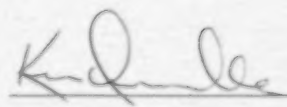
As of March 31, 2014

	2014	2013
Assets		
Current assets:		
Cash	\$ 5,445,468	\$ 5,432,863
Investments - current (note 9)	0	3,779,151
Accounts receivable (note 9)	583,197	640,739
Regulatory process costs to be assessed	1,203,693	1,116,931
Deposits and prepaid expenses	375,153	255,290
Total Current Assets	7,607,511	11,224,974
Long-term Assets:		
Investments - long-term (note 9)	4,992,918	978,652
Capital assets (note 5)	3,660,389	4,448,355
Total Long-term Assets	8,653,307	5,427,007
TOTAL ASSETS	\$ 16,260,818	\$ 16,651,981
Liabilities		
Current Liabilities:		
Deferred revenue (note 3c)	\$ 398,876	\$ 223,927
Accounts payable and accrued liabilities (note 3b)	6,670,019	6,706,653
Total Current Liabilities	7,068,895	6,930,580
Long-term Liabilities:		
Deferred revenue related to capital assets (note 3d)	2,154,092	2,680,093
Deferred rent inducement (note 8)	1,944,599	2,282,771
Pension liability (note 6b)	314,503	333,047
Total Long-term Liabilities	4,413,194	5,295,911
TOTAL LIABILITIES	\$ 11,482,089	\$ 12,226,491
Operating Reserve (note 4)	\$ 3,347,318	\$ 3,353,611
Net Assets:		
Internally Restricted Net Assets (note 7)	1,431,411	1,071,879
TOTAL LIABILITIES, RESERVE AND NET ASSETS	\$ 16,260,818	\$ 16,651,981

See accompanying notes to financial statements

On behalf of the Management Committee:


 Rosemarie T. Leclair
 Chair


 Ken Quesnelle
 Vice Chair

Statement of Operations and Net Assets

Year Ended March 31, 2014

	2014	2013
Revenues		
Recovery of Costs		
General cost recovery (note 3a)	\$ 32,487,601	\$ 32,721,002
Regulatory process costs	1,455,041	1,437,254
Amortization of deferred revenue related to capital assets	1,112,702	1,241,269
Total Revenues from Recovery of Costs	35,055,344	35,399,525
Other Revenues		
Administrative penalties and interest (note 7)	369,547	142,849
Licence fees	362,500	350,120
Interest income	166,050	87,816
Miscellaneous income	1,592	6,685
Total Other Revenues	899,689	587,470
TOTAL REVENUES	35,955,033	35,986,995
Expenses		
Salaries and benefits (note 3b & 6)	26,090,752	26,453,846
Consulting and professional	3,748,892	3,296,949
Premises	2,541,453	2,543,258
Information technology	668,249	864,582
Meetings, training and travel	569,815	425,043
Publications, media and publishing	436,299	898,927
Office and administration	427,339	452,868
Amortization of capital assets paid by Board	1,112,702	1,241,269
TOTAL EXPENSES	35,595,501	36,176,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	359,532	(189,747)
Net Assets, beginning of period	1,071,879	1,261,626
NET ASSETS, end of period (note 7)	\$ 1,431,411	\$ 1,071,879

See accompanying notes to financial statements

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
Net inflow (outflow) of cash related to the following activities		
Operating		
Assessment billed	\$ 33,249,252	\$ 31,821,220
Regulatory process costs revenue	1,455,041	1,437,254
Other revenues	899,689	587,470
Expenses	(35,595,501)	(36,176,742)
	8,481	(2,330,798)
Adjustment for Non-cash Expenses		
Amortization of capital assets paid by Board	1,112,702	1,241,269
Amortization of leasehold improvements paid by Landlord	261,964	261,965
	1,374,666	1,503,234
Changes in Non-cash Working Capital		
Accounts receivable	57,542	607,989
Regulatory process costs to be assessed	(86,762)	(313,151)
Deposits and prepaid expenses	(119,863)	(36,446)
Operating reserve	(6,293)	(69,172)
Accounts payable and accrued liabilities	(36,634)	2,004,395
Pension liability	(18,544)	(21,327)
Deferred rent inducement	(338,172)	(338,172)
	(548,726)	1,834,116
Net Cash from Operating Activities	834,421	1,006,552
Investing		
Investments	(235,115)	(803,156)
Net Cash Used in Investing Activities	(235,115)	(803,156)
Capital		
Capital asset purchases	(586,701)	(591,186)
Net Cash Used in Capital Activities	(586,701)	(591,186)
Net change in cash	12,605	(387,790)
Cash, beginning of period	5,432,863	5,820,653
Cash, end of period	\$ 5,445,468	\$ 5,432,863

See accompanying notes to financial statements

Notes To The Financial Statements

March 31, 2014

1. Nature of the Corporation

The Ontario Energy Board (the "Board") is the regulator of Ontario's natural gas and electricity industries. The Board also provides advice on energy matters referred to it by the Minister of Energy and the Minister of Natural Resources.

Effective August 1, 2003, and pursuant to the *Ontario Energy Board Act, 1998*, (the "OEB Act") the Board was continued as a corporation without share capital empowered to fully recover its costs from natural gas and electricity industry participants.

As an agent of Her Majesty in right of Ontario, the Board is exempted from federal and provincial income taxes under the *Income Tax Act*.

The Board is classified as a government not for profit organization for accounting purposes.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Public Sector Accounting Standards (PS), which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada. The Board has chosen to use the standards for government not-for-profit organizations that include sections PS 4200 to PS 4270.

Significant accounting policies followed in the preparation of these financial statements include:

a) Revenue Recognition

Revenues received in the 2013-14 fiscal year that relate to subsequent years are not recognized as revenue and are deferred.

Recognition of revenue is matched to the expenses of the Board as follows:

- General cost recovery under S.26 of the OEB Act related to the expenses of the Board is recognized as revenue to the extent that they are in excess of regulatory process costs (S.30), amortization of deferred revenue related to capital assets, and other revenues. Revenue assessed in excess of actual cost in 2013-14 is deferred and recognized in fiscal year 2014-15 and referred to as a true-up (note 3c).
- Revenue from administrative penalties assessed against market participants under s. 112.5 of the OEB Act is recognized in the year the Board accepts an assurance of voluntary compliance or issues the enforcement order for the amount identified, provided that the order is not under appeal and a reasonable estimate can be made and collection is reasonably assured. If the order is appealed, revenue will be recognized in the year in which all rights of appeal are exhausted and the order becomes final. Revenue from administrative penalties is not used to reduce the costs assessed under the Board's Cost Assessment Model, but used to support activities relating to consumer education, outreach and other activities in the public interest. Both administrative penalties and their related expenses are reflected in the Statement of Operations and Net Assets and are reflected as internally restricted net assets summarized in note 7 of the financial statements.
- Deferred revenue related to capital assets is recognized as revenue on the same basis that the underlying capital assets are amortized. Revenue related to capital asset expenditures is deferred because they have been billed in advance (note 3d).
- Regulatory process costs are recognized as revenue when related expenses are incurred.
- Other revenues are recognized when received and receivable.

Notes To The Financial Statements

March 31, 2014

b) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, beginning in the fiscal year following the acquisition, as follows:

Office furniture and equipment	5 years
Computer equipment and related software	3 years
Audio visual equipment	3 years
Leasehold improvements	over remainder of lease

c) Financial Instruments

The Board's financial instruments are initially measured at their fair value and subsequently measured in one of the following categories (i) fair value or (ii) cost or amortized cost. The Board uses fair value for the subsequent measurement of cash, accounts receivable, regulatory process costs to be assessed, accounts payable and accrued liabilities. The Board's short and long term investments are subsequently measured at amortized cost.

d) Use of Estimates

The preparation of financial statements in accordance with public sector accounting standards requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and recoveries for the year. Actual amounts could differ from these estimates.

e) Employee Pension Plans

The Board's full-time employees participate in the Public Service Pension Fund (PSPF) which is a defined benefit pension plan for employees of the Province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF, determines the Board's annual payments to the Fund. Since the Board is not a sponsor of these funds, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the Board, as the sponsor is responsible for ensuring that the pension funds are financially viable. The Board's expense is limited to the required contributions to the Fund as described in note 6a.

The Board also manages a supplementary unfunded pension plan for a former Chair as described in note 6b. The Board accrues its obligations and the related cost under this supplemental unfunded pension plan. The actuarial liability and the current service costs are determined by independent actuaries using the projected benefit method, prorated on management's best estimate assumptions.

Notes To The Financial Statements

March 31, 2014

3. Industry Assessments for 2013-14

During the 2013-14 fiscal year, the natural gas and electricity industry participants were assessed estimated costs for the 2013-14 fiscal year based on budgeted amounts. Amounts assessed in excess of actual costs are a true-up and are reported as current deferred revenue. The 2013-14 true-up will be used to reduce the 2014-15 fiscal year assessment. The calculation of the general cost recovery, true-up and deferred revenue are outlined in the following tables.

a) 2013-14 General cost recovery

Salaries and benefits (note 3b)	\$ 26,090,752
Consulting and professional	3,748,892
Premises	2,541,453
Information technology	668,249
Meetings, training and travel	569,815
Publications, media and publishing	436,299
Office and administration	427,339
Amortization of capital assets paid by the Board	1,112,702
Total expenses	35,595,501
Regulatory process costs, amortization of deferred revenue related to capital assets, other revenues and expenses related to administrative penalties revenues	(3,107,900)
General cost recovery at March 31, 2014	\$ 32,487,601

b) Accounts Payable and Accrued Liabilities Estimate

The accounts payable and accrued liabilities amount includes one-time accruals in respects of restructuring costs. These liabilities are recorded in salaries and benefits as shown in note 3a.

c) 2013-14 Current Deferred Revenue (2013-14 True-up)

General cost recovery (note 3a)	\$ 32,487,601
2013-14 Capital expenditures paid by the OEB	586,701
Total assessment (actual)	33,074,302
Total assessment (budget)	33,473,178
2013-14 Current deferred revenue (2013-14 true-up)	\$ 398,876

d) 2013-14 Deferred Revenue Related to Capital Assets

Revenues related to capital asset expenditures are deferred because they have been billed in advance with the exclusion of leasehold improvements paid by the landlord, which were not included in the assessments. As part of the leasehold inducements included in the lease agreement, the landlord paid for \$3,540,400 of leasehold improvements on behalf of the Board since the start of the lease on January 1, 2005.

Net book value of capital assets 2013-14 (note 5)	\$ 3,660,389
Net book value of leasehold improvements paid by landlord (note 5)	(1,506,297)
2013-14 Deferred revenue related to capital assets	\$ 2,154,092

Notes To The Financial Statements

March 31, 2014

4. Operating Reserve

As part of its self-financing status, the Board established an operating reserve, which is adjusted on an annual basis. The primary objective of maintaining this reserve is to fund the Board's operations in the event of revenue shortfalls or unanticipated expenditures. It is to be used for cash flow management and to support working capital requirements.

The operating reserve was initially set at a maximum of 15% of the annual assessment. Based on the review of cash flow history, the Board has set the operating reserve to 10% of the current annual funding requirement. This operating reserve level is expected to be maintained in fiscal year 2014-15.

2013-14 Operating reserve

Operating reserve as at March 31, 2013	\$ 3,353,611
Adjustment to the operating reserve	(6,293)
Operating reserve as at March 31, 2014	\$ 3,347,318

The Board is not subject to any externally imposed reserve requirements.

5. Capital Assets

	Cost	Accumulated amortization	Net book value 2014	Net book value 2013
Office furniture and equipment	\$ 2,804,730	\$ 2,661,295	\$ 143,435	\$ 235,954
Computer equipment and related software	11,294,239	10,012,716	1,281,523	1,608,894
Audio visual equipment	895,490	873,873	21,617	11,361
Leasehold improvements paid by OEB	1,303,438	595,921	707,517	823,884
Leasehold improvements paid by Landlord	3,540,400	2,034,103	1,506,297	1,768,262
Total	\$ 19,838,297	\$ 16,177,908	\$ 3,660,389	\$ 4,448,355

6. Employee Future Benefits

- The Board's contribution to the Public Service Pension Plan for the 2013-14 fiscal year was \$1,459,529 (2013 - \$1,484,106), and is included in salaries and benefits costs on the Statement of Operations and Net Assets.
- The unfunded supplemental pension plan for a former Chair had an accrued total benefit obligation of \$314,503 (2013 - \$333,047) and an accrued benefit liability with respect to the Board of \$314,503 (2013 - \$333,047). The Board's related expense for the year was negative \$18,544 (2013 - negative \$21,327) and is reflected in salaries and benefits costs. No benefits were paid during the year (2013 - \$0). The significant actuarial assumptions adopted at March 31, 2014 included a discount rate of 2.75% (2013 - 2.50%).
- The Board is not responsible for the cost of employee post-retirement, non-pension benefits. These costs are the responsibility of the Province of Ontario, a related party.

Notes To The Financial Statements

March 31, 2014

7. Internally Restricted Net Assets

The internally restricted net assets at March 31, 2014 represent revenue from administrative penalties assessed against individual market participants under s. 112.5 of the *Ontario Energy Board Act, 1998*. According to the OEB Cost Assessment Model, revenue from administrative penalties will not be used to reduce payments under the general assessment. Revenue from administrative penalties plus any related interest revenue is internally restricted by the Management Committee to support activities relating to consumer education, outreach and other activities in the public interest.

The changes in internally restricted net assets are as follows:

Balance, beginning of the year		\$	1,071,879
Administrative penalties issued in 2013-14	\$	354,000	
Interest revenue from administrative penalties		<u>15,547</u>	
Administrative penalties and interest			369,547
Expenses incurred			<u>(10,015)</u>
Balance, end of the year		\$	<u>1,431,411</u>

Subsequent to year end, the Board accepted Assurances of Voluntary Compliance from two separate companies totaling \$830,000. As per the Board's revenue recognition policy regarding administrative penalties (note 2a) the Board will recognize the \$830,000 administrative penalties revenue in fiscal year 2014-15.

8. Deferred Rent Inducement and Operating Lease Commitments

The Board entered into a lease commitment for its office space during the 2004-05 fiscal year, which included various lease inducements. Deferred rent inducement represents the benefit of operating lease inducements which are being amortized on a straight-line basis over 15 years, being the term of the lease.

The changes in deferred rent inducements are as follows:

	2014	2013
Balance, beginning of the year	\$ 2,282,771	\$ 2,620,943
Less: Amortization of deferred rent inducement netted against premises expense	(338,172)	(338,172)
Balance, end of the year	\$ <u>1,944,599</u>	\$ <u>2,282,771</u>

The minimum annual payments under the operating lease, expiring December 31, 2019 for the remaining 6 years and in aggregate are as follows:

March 31, 2015	\$ 2,606,020
March 31, 2016	2,796,328
March 31, 2017	2,884,629
March 31, 2018	2,977,345
March 31, 2019	3,074,696
December 31, 2019	<u>2,362,811</u>
Total	\$ <u>16,701,829</u>

Notes To The Financial Statements

March 31, 2014

9. Financial Instruments

It is management's opinion that the Board is not exposed to significant interest rate, currency, credit or liquidity risks arising from its financial instruments.

Interest rate risk:

The Board's financial assets and liabilities are not exposed to significant interest rate risk. The Board has three Ontario Government bonds with maturities of September 2015, September 2016, and March 2017 and effective yields of 1.42%, 1.80% and 1.48% respectively. Cash balances earn interest at a rate of 1.15% (2013 - 1.15% to 1.25%). The average cash balance interest rate for the year was 1.15% (2013 - 1.23%).

A 25 basis point change in the interest rate would impact the Board's operating surplus by \$16,418 (2013 - \$17,700).

Currency risk:

The Board's exposure to currency risk is minimal as few transactions are in currencies other than Canadian dollars.

Credit risk:

The Board's exposure to credit risk is minimal as the Board's cash and Ontario Government bonds which have relatively short maturity spans are held with a leading Canadian bank. The Board also has minimal credit risk exposure in regard to regulatory process costs to be assessed and accounts receivable due to high historical collection rates. Below the accounts receivable aging is summarized:

	Current	+60 Days	+90 Days	Total
Regulatory process costs	\$ 97,818	\$ 9,768		\$ 107,586
General cost recovery		1,452		1,452
License fee prepayment	(1,000)	(800)		(1,800)
HST recovery	469,336			469,336
Interest receivable	6,623			6,623
Total	\$ 572,777	\$ 10,420	\$ 0	\$ 583,197

Liquidity risk:

The Board's exposure to liquidity risk is minimal as the Board has a sufficient cash balance to settle all current liabilities and all three Ontario Government bonds are readily convertible into cash at any time without penalty. As of March 31, 2014, the Board had a cash balance of \$5,445,468 (2013 - \$5,432,863) and all three Ontario Government Bonds totaling \$4,992,918 (2013 - \$4,757,803) to settle current liabilities of \$7,068,895 (2013 - \$6,930,580).

10. Related Party Transactions

The Province of Ontario is a related party as it is the controlling entity of the OEB. Therefore the IESO, OPA, OPG, Hydro One and multiple Provincial Government Ministries are related parties of the OEB, through the common control of the Province of Ontario. These transactions for the years ended March 31, 2014 have combined revenues of \$14,867,710 (March 31, 2013 \$14,517,752) the majority of these being general cost recoveries under Cost Assessment, and combined expenses of \$85,224 (March 31, 2013 \$89,243) the majority of these expenses are related to multiple Provincial Government Ministries. Related party transactions pertaining to employee future benefits are disclosed in note 6.

Ontario Energy Board Members



Chair & Chief Executive Officer
Rosemarie T. Leclair

Appointed: April 6, 2011
Term expiry: April 5, 2016



Vice Chair
Cynthia Chaplin

Appointed: March 3, 2004
Term expiry: March 2, 2014

Ms. Chaplin has served as Vice Chair since March 2010, and as Interim Chair from November 2010 until April 2011.



Vice Chair
Ken Quesnelle

Appointed: September 6, 2005
Term expiry: September 5, 2015

Mr. Quesnelle was appointed Vice Chair in February 2014.



Paula Conboy

Appointed: March 1, 2010
Term expiry: February 28, 2015
Full-time Board member



Marika Hare

Appointed: April 30, 2010
Term expiry: April 29, 2016
Full-time Board member



Christine Long

Appointed: June 13, 2012
Term expiry: June 12, 2017
Full-time Board member



Allison Duff

Appointed: February 1, 2013
Term expiry: January 31, 2015
Part-time Board member



Emad Elsayed

Appointed: June 20, 2012
Term expiry: June 19, 2017
Part-time Board member



Jerry Farrell

Appointed: June 20, 2012
Term expiry: June 19, 2014
Part-time Board member

Ontario Energy Board Members (cont'd)



Ellen Fry

Appointed: June 20, 2012
Term expiry: June 19, 2017
Part-time Board member



Peter Noonan

Appointed: February 1, 2013
Term expiry: January 31, 2015
Part-time Board member



Cathy Spoel

Appointed: October 13, 1999
Term expiry: February 3, 2016
Part-time Board member

Executive Management Team



Mary Anne Aldred

General Counsel & Vice President,
Legal Services & Strategic Policy



Lynne Anderson

Vice President, Applications



Peter Fraser

Vice President, Industry Operations
& Performance



Karim Karsan

Vice President, Consumer Services



Julie Mitchell

Vice President, People, Culture
& Business Solutions

Ontario Energy Board Contact Information

How to contact the Board:

ONTARIO ENERGY BOARD

P.O. Box 2319

2300 Yonge Street

27th Floor

Toronto, Ontario, Canada

M4P 1E4

Telephone: 416-481-1967

Toll-free within continental North America: 1-888-632-6273

Facsimile: 416-440-7656

The Board's website is located at www.ontarioenergyboard.ca

To reach the OEB Consumer Relations Centre, call:

Toll free: 1-877-632-2727

In Toronto: 416-314-2455

E-mail: consumerrelations@ontarioenergyboard.ca

To reach OEB Industry Relations, e-mail: industryrelations@ontarioenergyboard.ca

Copies of this annual report, as well as other Board publications, may be obtained from the Board.